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ECONOMIC INTELLIGENCE REPORT

SOVIET ECONOMIC ASSISTANCE
TO THE SINO-SOVIET BLOC
1956-57



CIA/RR 146

8 September 1958

CENTRAL INTELLIGENCE AGENCY

OFFICE OF RESEARCH AND REPORTS

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(ORR Project 42.2087)

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Soviet Economic Assistance to Countries of the Sino-Soviet
Bloc, 1946-57

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SOVIET ECONOMIC ASSISTANCE TO THE SINO-SOVIET BLOC*
1956-57

Summary and Conclusions

Following the revolts in the European Satellites in 1956 the USSR modified its economic policy toward these countries. The primary objective of the new policy is to prevent further disaffection by promoting increased economic stability in the Satellites. The new Soviet attitude is exemplified in the sharp increase in the level of Soviet economic assistance to the European Satellites, which received about 95 percent of total aid extended to the Sino-Soviet Bloc during 1956-57. Soviet commodity and currency credits to the European Satellites in this period exceeded \$1 billion,** almost equaling in value the loans extended to those countries over the entire 10-year period before 1956.

Soviet aid extended to the Asian Satellites during 1956-57 has decreased compared with that before 1956. Credits and grants made available to North Korea, North Vietnam, and Outer Mongolia in 1956-57 (Communist China received no new Soviet credits in 1956-57) amounted to about \$260 million, approximately one-fourth of the value of Soviet economic aid to the Asian Satellites and China before 1956. The aid was designed primarily to promote economic development and to provide such necessities as food and medicine.

Soviet aid to the Sino-Soviet Bloc as a whole during 1956-57 amounted to about \$4.7 billion, including credits and grants (\$1.4 billion), cancellation of old debts (\$1.0 billion), reductions in Satellite expenditures for the maintenance of Soviet troops and certain transfers of Soviet property and commodities (\$1.7 billion), and resettlement of previous pricing agreements (\$0.6 billion).

Several types of aid are unique to the period 1956-57. Important Soviet concessions to Poland and Hungary were made through renegotiating, to the advantage of the latter two countries, previous exploitative pricing arrangements for certain goods and services exchanged in the past. The recent series of Soviet credits has repayment terms (interest, start, and duration of repayment period) which are more favorable to the recipient countries than were the terms of earlier agreements. The USSR has also alleviated pressures on the balance of payments of several Satellites by canceling old debts.

* The estimates and conclusions contained in this report represent the best judgment of ORR as of 15 July 1958.

** Dollar values are given in terms of current US dollars throughout this report.

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The aid program of the USSR for 1956-57 represents a present and future cost to the Soviet economy in terms of increased Soviet exports and reduced Soviet imports. Although credits, grants, and certain price adjustments imply an increase of nearly \$2 billion in Soviet exports between 1956 and 1965, debt cancellations represent a simultaneous decrease in future Soviet imports from the Soviet Bloc. Furthermore, because many of the basic economic problems of Eastern Europe remain unresolved, it is likely that continued Soviet economic aid will be necessary for some time. This assistance should not, however, represent an excessive strain on Soviet resources. With a diversified economy and extensive reserves of gold and commodities to draw upon, the current level of aid could be maintained indefinitely without having serious repercussions on Soviet internal planning.

I. Introduction.

After popular discontent in Eastern Europe flared into open revolt during 1956, the Soviet leadership chose to revise its economic policy toward the European Satellites. A major objective of the new policy is to increase the economic advantages to be gained by all Sino-Soviet Bloc countries through membership in the Communist camp, thereby giving the members, particularly the European Satellites, greater reason for remaining in the Bloc. Accordingly, the USSR in late 1956 undertook a program of economic aid to the Bloc which in 1956-57 alone involved transfers to the Bloc of amounts almost as great as those extended during the preceding 10 years.

A survey of Soviet aid to the Sino-Soviet Bloc since 1956 indicates the nature and extent of Bloc economic difficulties and the Soviet response to them. The new Soviet policy toward the European Satellites is disclosed in the amounts, and forms of aid and in the conditions under which it is being extended. Some indications of the possible need for a continued program of Soviet aid and of the Soviet ability to sustain such a program are also provided by this survey.

II. Magnitude and Forms of Assistance.*

During 1956-57, total Soviet economic assistance extended to the Sino-Soviet Bloc amounted to about \$4.7 billion,** of which more than

* Based on sources for Tables 3 and 4, pp. 20 and 29, respectively, below.

** This amount should not be added to total assistance extended during 1946-55 to obtain total Soviet economic assistance during 1946-57, because some of the debts canceled in 1956-57 reflect credits extended during 1946-55.

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\$1 billion were grants and industrial, commodity, and currency credits and the remainder, \$3.7, were debt cancellations,* price readjustments, and other settlements by which the USSR relinquished claim to future deliveries from the Bloc, as shown below:

| Item | Value (Million US \$) | Percent** |
|---|--------------------------|------------|
| Reduction in troop maintenance costs and certain transfers of Soviet property and commodities | 1,699 | 36 |
| Credits and grants | 1,358 | 29 |
| Debt cancellations | 1,001 | 21 |
| Readjustment of certain commodity, transportation, and communications pricing arrangements | 633 | 13 |
| Total | <u>4,691</u> | <u>100</u> |

In comparison, total Soviet economic assistance extended to the Sino-Soviet Bloc during the previous 10 years amounted to about \$5 billion. Of this earlier amount, nearly \$2.5 billion were grants and industrial, commodity, and currency credits, and more than \$2 billion were credits extended to the Satellites for the repurchase of the Soviet share in certain joint stock companies.*** Soviet assistance in the form of cost and pricing readjustments did not appear before 1956.

Soviet aid during 1956-57 may be divided into two broad categories. First, short-term commodity and currency credits and other concessions were provided for the alleviation of some of the more immediate economic problems of the Satellites, particularly in connection with the balance of payments. Although some Satellites had an export surplus on Sino-Soviet Bloc account, most lacked the foreign

* The term debt cancellations as used in this report refers to debts incurred by the Satellites for Soviet credits extended before 1956. Beginning in 1956 the USSR has agreed to write off a significant portion of these obligations.

** Percentages are shown as calculated; therefore, they do not add to exactly 100 percent.

*** Five Sino-Soviet Bloc countries received credits for the repurchase of joint stock companies -- Bulgaria, East Germany, Hungary, Rumania, and Communist China (see Appendix A, Table 5, p. 31, below).

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exchange needed to purchase from the Free World goods which the Bloc was unable to supply. In an effort to ease the economic difficulties of the Satellites and the political unrest to which such difficulties contributed, the USSR provided commodity credits to the Satellites for some of the needed goods and made available gold and currency credits so that the Satellites could supplement their needs by purchasing from the Free World.

Emergency commodity credits were made available to all of the European Satellites except Czechoslovakia and together amounted to nearly \$600 million in 1956-57. Poland, Hungary, and East Germany were the principal recipients. The goods generally consisted of raw materials, so as to prevent interruptions in industrial production and to alleviate acute shortages of consumer goods, especially grain.

Gold and foreign currency credits, totaling more than \$250 million, were made available to East Germany, Hungary, and Poland to enable them to purchase Free World goods. The largest recipient of this type of aid was East Germany, which obtained \$180 million in foreign exchange.

In addition, Soviet credits extended before 1956 were falling due, thereby straining the Satellite economies even more. The USSR relieved this situation by suspending or canceling many of the debts which were due for repayment. These debts had been incurred by Albania in connection with prior Soviet commodity credits and by Hungary and Rumania in connection with the repurchase of the shares of Soviet ownership in the now defunct Soviet-Satellite joint stock companies.* After World War II the USSR assumed partial or complete control over certain Satellite industrial enterprises which it classified as "former German assets." During 1952-55, however, the Satellites were allowed to repurchase on credit the Soviet share in some of these joint stock companies. The Satellite debts incurred in this way totaled more than \$2 billion, of which the USSR has canceled nearly \$900 million. The main recipient of this type of concession has been Rumania, for whom cancellations amount to \$717 million. Other types of debts canceled included a \$106-million Albanian debt for Soviet credits granted previously. In the case of Albania, it is doubtful that the Soviet leaders ever seriously expected repayment. In addition to the cancellation of certain debts, a postponement of repayment of Soviet postwar loans was granted to Hungary and Rumania.**

* The cancellation of Poland's debt has been omitted from this discussion, because it was to cover the difference between the Free World market price of the coal deliveries by Poland to the USSR during 1946-53 and the token price received from the USSR. See III, E, p. 15, below.

** The postponement of Poland's debt has been omitted from this discussion, because this agreement was superseded by the November 1956 agreement which canceled the debt.

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A second category of Soviet aid is represented by long-term developmental credits. In 1956-57, such credits, amounting to more than \$300 million, were extended to Albania, Bulgaria, Rumania, Outer Mongolia, and North Korea. The chief recipient was Bulgaria, to which such aid worth \$142 million was made available. This aid is to consist largely of machinery for the mechanization of agriculture as well as equipment and technical assistance for the expansion of its chemical and non-ferrous metals industries.

In contrast to pre-1956 Soviet credits, which were usually extended for 3 to 5 years, some repayable in gold and foreign exchange and with interest rates ranging from 1 to 5 percent, repayment conditions of the 1956-57 credits appear to be more favorable to the recipients, as the period of repayment has been extended in some cases to 10 years, particularly for long-term economic developmental credits. All credits have been made repayable in commodity deliveries, and all carry a 2-percent interest rate.

The cost to the USSR of this new aid policy can be roughly measured in two ways. First, the credits and grants, amounting to more than \$1 billion, imply increased Soviet exports to the Satellites. Moreover, the concessions representing services which the USSR formerly used free of charge or which it purchased at a reduced rate will involve the USSR in higher payments to the Satellites. Such concessions, including a downward adjustment of troop maintenance costs and an upward adjustment of prices paid by the USSR for earlier Satellite transportation and communications services, total more than \$2 billion. Second, debt cancellations represent claims to future imports which have been relinquished by the USSR during this period. The debt cancellations have decreased by \$1 billion the value of goods deliveries which would have had to be made by the Satellites to the USSR for payment of past debts. Thus the total effect of the 1956-57 aid program will imply an increase in Soviet exports of about \$3.7 billion and a decrease in Soviet imports of \$1 billion, or an over-all decrease in the availability of goods to the USSR over the period of the aid of about \$4.7 billion.

Nearly 95 percent, or \$4.4 billion, of total Soviet assistance to the Sino-Soviet Bloc during 1956-57 was directed to the European Satellites. A breakdown by country is shown in Table 1.*

All of the European Satellites except Czechoslovakia** shared in the Soviet assistance program which was reinstituted in 1956. Of the

* Table 1 follows on p. 6.

** It has been reported that in 1957 the USSR offered Czechoslovakia a long-term, interest-free loan for the development of uranium ore mining, but no additional information has been received.

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Table 1

Soviet Economic Assistance to the European Satellites
1956-57 a/

| Country | Total Assistance | | Credits or Grants | |
|--------------|--------------------------|---------------------|--------------------------|---------------------|
| | Value (Million US \$) | Percent of Total | Value (Million US \$) | Percent of Total |
| Albania | 153.3 | 3.5 | 47.8 | 4.1 |
| Bulgaria | 147.5 | 3.3 | 147.5 | 12.6 |
| East Germany | 1,895.0 | 42.8 | 280.0 | 23.9 |
| Hungary | 504.4 | 11.4 | 293.8 | 25.1 |
| Poland | 910.0 | 20.5 | 300.0 | 25.6 |
| Rumania | 819.5 | 18.5 | 102.5 | 8.7 |
| Total | <u>4,429.7</u> | <u>100.0</u> | <u>1,171.6</u> | <u>100.0</u> |

a. Based on sources for Tables 3 and 4, pp. 20 and 29, respectively, below.

countries receiving assistance, only Bulgaria failed to receive economic concessions as well as credits. Debts to the USSR previously incurred by Albania, Hungary, Rumania, and Poland were canceled. The cancellation of Polish debts, however, was effected by means of an upward adjustment of the price of coal previously sold to the USSR at less than world market prices. 2/ The contribution of East Germany toward the support of Soviet troops located on East German soil was reduced. 3/ Although all of the European Satellites have experienced foreign exchange shortages of varying degree, only East Germany, Hungary, and Poland were granted gold or currency credits. East Germany received three currency loans making up approximately 67 percent of the total Soviet currency and gold credits extended during 1956-57. It should be noted that East Germany granted \$149 million -- more than 50 percent of the total Soviet credits received -- in credits to other Bloc countries during 1956-57. 4/

East Germany, the principal recipient of total Soviet economic assistance to the European Satellites, received more than 40 percent of the total assistance granted since 1956. Three countries -- Poland, Hungary, and East Germany -- together received approximately 75 percent of the total credits. Most of the credits -- 78.4 percent, or \$919.1 million -- took the form of Soviet goods, compared with 21.6 percent, or \$252.5 million, in the form of gold and convertible currency.

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Although Soviet aid to the Asian Satellites (North Korea, North Vietnam, and Outer Mongolia) is small compared with Soviet aid to the European Satellites (only about 5 percent of total aid to the Sino-Soviet Bloc), it still has been a significant factor in the reconstruction and development of these countries. For example, Soviet aid accounted for about 10 percent of the total North Korean budget revenue during 1954-56.

More than \$260 million in new economic assistance was extended to North Korea, North Vietnam, and Outer Mongolia during 1956-57. Outer Mongolia and North Korea were the principal recipients, together receiving more than 90 percent of this total.

North Korea and North Vietnam also received deliveries from pre-1956 loans and grants -- North Korea received \$67.5 million in 1956, and it is estimated that North Vietnam received in 1956 a minimum of \$30 million from pre-1956 grants. No new Soviet aid was extended to Communist China during 1956-57, although \$36 million worth of goods was transferred under pre-1956 loans.

In addition to direct aid in the form of food, medicine, and similar commodities, part of the Soviet economic assistance to the Asian Satellites during 1956-57 was allocated for the economic development of these countries. This is particularly true of Outer Mongolia, where Soviet aid is being concentrated on the development of the agricultural and industrial areas. With the help of the USSR, small coal, petroleum, and other extractive industries have been created in Outer Mongolia, and transportation and communications systems have been extended. 5/ Soviet aid has been concentrated on expanding Mongolian cattle raising and related processing industries. To supplement the credits and grants to the Asian Satellites, the USSR has provided Soviet technicians and specialists as well as technical documents to each of these countries.

III. Assistance to Individual Countries.*

A. Albania.

The USSR has contributed economic aid to Albania since the early postwar period.** During 1956-57, Soviet economic assistance amounted to more than \$150 million. Of this amount, credits comprised nearly \$50 million, and debt cancellations accounted for more than \$100 million.

As a result of talks held between the USSR and Albania in April 1957, a Soviet credit of \$7.8 million was made available to

* See the accompanying chart, following p. 8.

** See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

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Albania. The credit was to be used to purchase agricultural commodities such as wheat, rice, and fats, to be delivered during the first half of 1958, although some wheat consignments were delivered during late 1957. At the same time the USSR, acknowledging the obvious fact of the inability of Albania to repay previous credits, canceled a debt of \$105.5 million owed the USSR for credits extended since 1947. 6/ The import needs of Albania are currently much greater than its export capabilities, leaving no means for the repayment of old debts.

In November 1957, Albania requested and was granted another Soviet credit. This credit of \$40 million will be used for Soviet technical assistance; raw materials; and equipment required for the construction of irrigation projects and the development of the petroleum, mining, fishing, and food processing industries during 1957-60. The credit is repayable in Albanian goods. 7/

With the help of the USSR, the ability of Albania to export has increased, largely as a result of achievements in the mining industry; which is now by far the major source of export goods. The Albanian economy still appears incapable of meeting its current obligations, however, and probably will not be able to repay the USSR for the new credits extended.

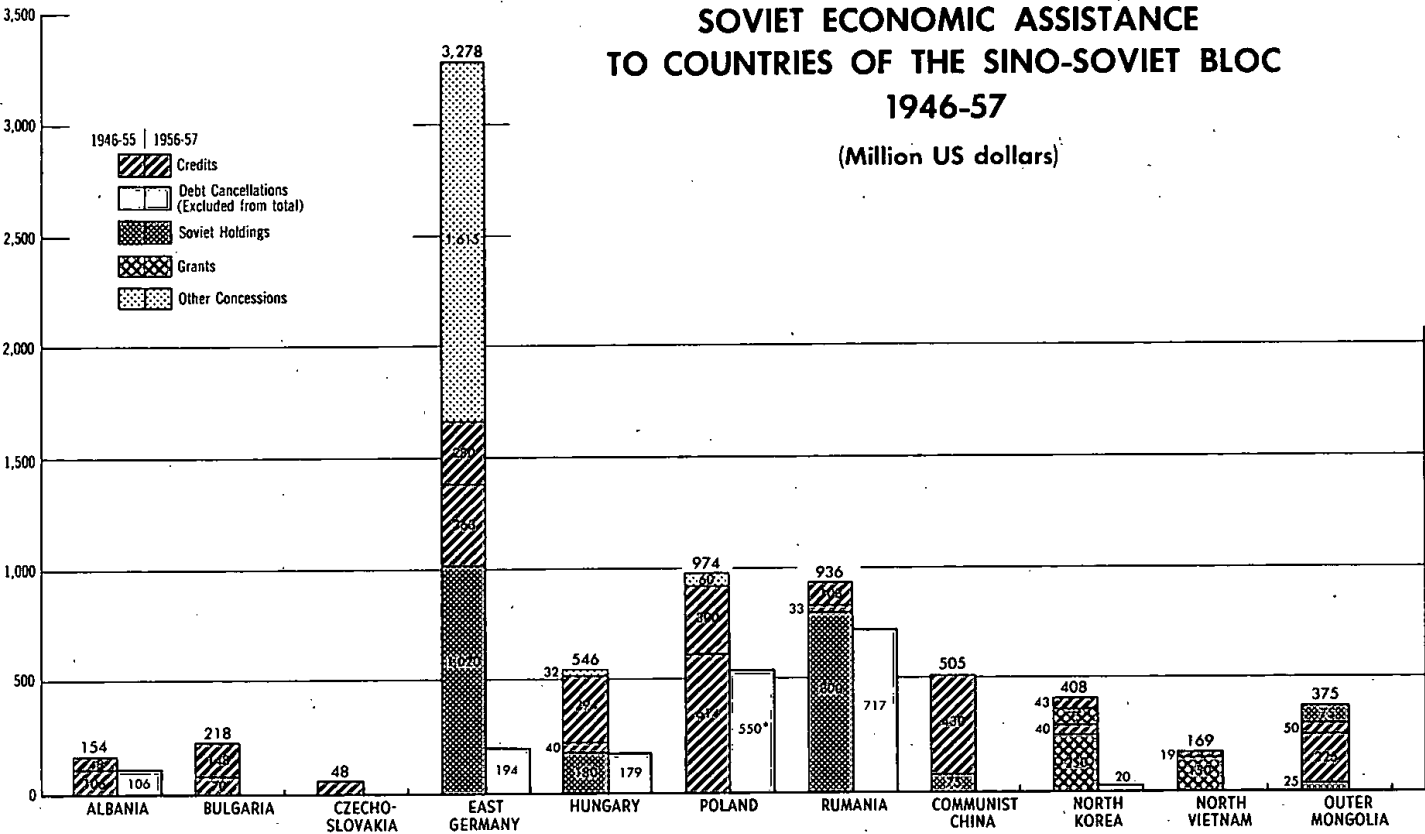
B. Bulgaria.

During 1956-57, Bulgaria received Soviet credits valued at nearly \$150 million, or about 13 percent of total Soviet credits extended to the European Satellites during this period.* Aid to Bulgaria differs, however, from that extended to the other European Satellites in two ways. First, nearly all of the Soviet credits to Bulgaria have been allocated for industrial and agricultural developmental projects as opposed to mostly commodity and currency loans to the other European Satellites. The heavy allocation of Soviet credits for agricultural development reflects the plan of the government of Bulgaria to expand greatly the fruit and vegetable export capabilities of the country and thus to make Bulgaria an important supplier of fruits and vegetables to the rest of the Soviet Bloc. This plan recognizes the basic deficiency of Bulgaria in industrial raw materials. Bulgarian industrial production generally centers around products needed for agriculture, such as chemicals and fertilizers. Through this extensive agricultural and industrial developmental program the present unemployment situation may be eased and future employment opportunities enhanced. In a few years the impact of Soviet credits on both agriculture and industry should be evident in considerably higher output.

* See Appendix A, Table 3, p. 20, below.

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**SOVIET ECONOMIC ASSISTANCE
TO COUNTRIES OF THE SINO-SOVIET BLOC
1946-57**
(Million US dollars)



* The debt cancellation was to cover the difference between the Free World market price of the coal deliveries by Poland to the USSR during 1946-53 and the taken price received from the USSR.

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Aid to Bulgaria differs also from that extended to the other European Satellites in that Bulgaria apparently did not obtain a cancellation of any part of its outstanding indebtedness to the USSR. The absence of a debt cancellation may be indicative of the ability of Bulgaria to repay credits through commodity exports. Between 1950 and the end of 1955 the accumulated surplus of total Bulgarian exports over imports balanced out the accumulated import surplus of the early postwar years. The evident ability of the Bulgarian economy to sustain an export surplus together with the prospect of an increase in agricultural and industrial output is largely the result of Soviet economic developmental credits to Bulgaria.

The USSR extended to Bulgaria in February 1956 a credit amounting to \$92.5 million which was to be drawn upon during 1956-59. This was the first known Soviet credit to Bulgaria since the early postwar period. The credit consisted of two parts. The largest part, \$75 million, was to be used for the mechanization of agriculture through the purchase from the USSR of 12,200 tractors, 5,300 combines, 3,200 trucks, and other agricultural machinery as well as for the purchase of livestock. The remainder, \$17.5 million, was to be expended for Soviet equipment and technical assistance in the construction of the first section of an ammonium nitrate plant with 200,000 metric tons* annual capacity and a 100,000-ton superphosphate plant. The loan is for a 10-year period at 2-percent interest. Repayment is to be made in Bulgarian agricultural products and other goods. 8/ In late 1956 the Bulgarian government asked the USSR for a wheat loan in order to meet food requirements until the new harvest. An agreement between the two countries was reached in January 1957. 9/ [redacted] Bulgaria was to receive from the USSR about 70,000 tons of wheat on credit to be delivered in two installments during the spring of 1957. 10/ It is estimated that the value of the wheat loan is approximately \$5 million. The loan is repayable over a 3-year period.

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In February 1957, Premier Anton Yugos headed a Bulgarian delegation to Moscow and succeeded in obtaining substantial additional economic aid from the USSR. The chief economic gain for Bulgaria was a long-term credit valued at \$50 million for industrial development. The credit was earmarked for the following projects: (1) the second section of the nitrogen fertilizer plant (see above), with an auxiliary coal concentrating plant; (2) a lead-zinc plant to produce 30,000 tons of lead and 40,000 tons of zinc a year; (3) a coke-chemical plant of 300,000 tons' annual capacity with a coal concentrating plant of 1 million tons' annual capacity; and (4) the expansion of the nitrogen fertilizer plant in Dimitrovgrad. Neither the period of delivery nor the repayment period was disclosed. The USSR will also provide the

* Tonnages are given in metric tons throughout this report.

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necessary equipment, and Soviet specialists will help train Bulgarian specialists as well as aid in planning construction. 11/

C. East Germany.

The USSR extended nearly \$1.9 billion in economic assistance to East Germany during 1956-57 (of which \$1.7 billion have been allocated to date), the largest amount of economic assistance provided to any of the Satellites during this period.*

The assistance to East Germany consisted of the following: \$180 million in convertible currency, \$100 million in commodities, \$1,441 million representing a reduction in the cost to East Germany of Soviet troop maintenance,** and \$174 million for undisclosed purposes. Table 2*** contains an outline of the value and allocation of Soviet credits to East Germany during 1956-57.

The magnitude of Soviet economic assistance to East Germany is probably a manifestation of two Soviet policy objectives: first, a desire to relieve some of the economic problems hampering East German industrial production, particularly in the export industries, which are an important source of goods needed by the other Satellites; and second, an attempt to minimize the differences between the economic development of East Germany and that of West Germany. East German industry is largely dependent on imports of raw materials, only part of which can be obtained within the Bloc. At the same time, East German machinery and technology have not been modernized sufficiently to allow for successful competition in Free World markets. As a result, the USSR has found it necessary to supplement East German foreign exchange earnings in order to cover required imports from the Free World.

The first credit during this period was extended in January 1956 and amounted to \$20 million in convertible currency, 12/ suggesting that the USSR preferred to provide East Germany with the foreign exchange to purchase materials from the Free World rather than supply East Germany with materials which were in scarce supply in the Sino-Soviet Bloc.

* See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

** The contribution of East Germany to the maintenance of Soviet occupation troops was reduced by half, beginning in January 1957 for a period of 4 years, from a total of \$2,884 million to \$1,441 million, resulting in an annual saving of \$360 million for the East German economy.

*** Table 2 follows on p. 11.

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Table 2
Soviet Economic Assistance to East Germany
1956-57

| Million US \$ | | |
|----------------|--------------|--|
| Date | Amount | Terms |
| Total | <u>1,895</u> | |
| January 1956 | <u>20</u> | A convertible currency credit for the purchase of commodities; to be utilized during 1956 and repaid in 1957 at 2-percent interest. <u>13/</u> |
| July 1956 | <u>1,875</u> | |
| of which: | | |
| | 1,441 | A reduction in the East German share of Soviet troop maintenance cost over a period of 4 years, 1957-60. <u>14/</u> |
| January 1957 | 85 | A convertible currency credit for the purchase of essential goods on the world market; to be utilized during 1957 and repaid during 1959-60 at 2-percent interest. <u>15/</u> |
| September 1957 | 175 | \$75 million in convertible currency; \$100 million in commodities. Both credits are to be utilized during 1958 and repaid by goods deliveries within 5 years after 1 January 1961 at 2-percent interest. <u>16/</u> |
| | 174 | Residual |

East German officials announced in July 1956 that they were to receive additional Soviet assistance worth \$1,875 million, consisting of a reduction in the cost of Soviet troop maintenance, an increase in the price paid for East German uranium ore, an atomic reactor, a commodity loan, and a currency loan. A value was specified for only one part of the assistance, a reduction of \$1,441 million in the East German share of the cost of Soviet troop maintenance for 1957-60. 17/

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The USSR subsequently

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announced two specific credits to East Germany during 1957 accounting for \$260 million more of the aid program. In January an \$85-million loan in convertible currency (chiefly sterling) was made, and in September a \$175-million loan in convertible currency and commodities was announced. The latter credit consisted of \$100 million in commodities and \$75 million in convertible currency. Both credits are to be utilized during 1958 and repaid by goods deliveries within 5 years after 1 January 1961 at 2-percent interest annually. 19/

D. Hungary.

Hungary was one of the principal recipients of Soviet economic assistance during 1956-57, when the USSR extended to the country a little more than \$504 million.* Of this total, \$294 million consisted of Soviet credits, of which \$60 million were in convertible currency and \$211 million in debt cancellations, reimbursement fees, and emergency aid.

In 1957, Hungary was plagued by extensive debts both to the Soviet Bloc and to the Free World, a chronic shortage of foreign exchange, and an unfavorable balance of trade. Soviet credits have helped to finance this deficit in the trade balance as well as to ease the foreign exchange shortage. The large-scale Soviet deliveries have replaced goods which otherwise would have been purchased from the Free World. Furthermore, some Soviet credits were in the form of foreign exchange which Hungary can repay in commodity deliveries. The cancellation by the USSR of the Hungarian debt for the repurchase of Soviet holdings in certain joint stock companies and the deferment of payments for loans incurred earlier also made easier the repayment of the Hungarian debts to the Free World.

In October 1956 an emergency credit was made available by the USSR to help Hungary out of a growing economic crisis. This credit, amounting to \$25 million, consisted of two parts -- \$15 million for goods "especially needed by the Hungarian economy" (such as coke, tin, and cotton) and \$10 million in convertible currency. Deliveries were scheduled for 1957, although some deliveries took place during late 1956. Repayment in goods is to take place over a period of 5 years, 1960-65, at a 2-percent interest rate. 20/ A smaller commodity loan valued at \$6.3 million was granted to Hungary by the USSR in 1956 to be drawn upon in 1957. 21/ In addition to the above-mentioned credits, the USSR gave Hungary, free of charge, approximately \$9.2 million worth of goods after the Hungarian uprising in October 1956. 22/

* See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

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Another Soviet credit valued at \$187.5 million was made available to Hungary in March 1957. This total comprised \$50 million in convertible currency and the remainder in raw materials and consumer goods. The credit was for utilization in 1957 and is repayable in goods over a period of 10 years, beginning in 1961, at 2-percent interest. It provides for technical and economic assistance in the construction of various industrial enterprises and the transportation system as well as in the field of atomic energy. In addition, Hungary agreed to supply to the USSR at a "just" price all uranium ore which it does not use domestically. 23/

As a result of talks held in Moscow, Mikhail Pervukhin, then chairman of the State Committee of the Council of Ministers of the USSR for Foreign Economic Relations, and Antal Apro, Vice Chairman of the Council of Ministers of Hungary, signed an agreement on 18 December 1957 providing additional Soviet economic and technical assistance to Hungary. Hungary will receive a \$75-million long-term loan from the USSR for the development of its industry over a 5-year period, 1958-63. Reports indicate that the credit is designed to develop more extensively the industry of Hungary in order to increase its export potential. The credit is repayable in equal installments over a 10-year period beginning the year after delivery, at 2-percent interest. 24/

Hungary received other forms of Soviet economic assistance during this period. The USSR, probably recognizing that Hungary was unable to repay its debts within the near future, canceled some of these debts and postponed others. The first Soviet economic concession to Hungary occurred in 1956, when approximately half (\$93.7 million) of a Hungarian debt for former German assets was canceled. 25/ The remaining portion (\$85.2 million) was canceled in March 1957. The USSR also deferred "for a long time" the repayment by Hungary of previously incurred loans amounting to \$37.5 million. 26/

In April 1957, Hungary received from the USSR a reimbursement of \$20 million to \$22.5 million as a result of a joint reexamination of payments since 1950 for transportation and travel charges. This settlement was based on a rate of 1 ruble to 1.5 forints instead of the existing rate of 1 ruble to 3 forints for commodity transactions. 27/

E. Poland.

The USSR extended to Poland more than \$900 million in economic assistance during 1956-57.* All of the credits and most of the economic concessions were granted in 1956 in an effort to alleviate the

* See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

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growing economic crisis in Poland. Of the total, \$12.5 million were in gold, \$287.5 million in commodities, and \$610 million in other concessions.

Before 1956 the USSR had made available to Poland credits totaling \$614 million. The largest credit was granted in 1948, when Poland received a \$450-million loan for economic development. This credit was increased by \$100 million in 1950. ^{28/} Soviet credits extended to Poland in 1956 were for commodity deliveries, in contrast to the pre-1956 period, when industrial credits predominated.

Although Soviet credits have not solved the economic problems of Poland, they have at least given temporary relief. Two major problems which Poland faces are an unfavorable balance of trade and a shortage of foreign exchange. Lacking an adequate raw materials base for its expanded industry, Poland must depend upon imports for the needed commodities. In addition, Poland must also import some food-stuffs. Consequently, Polish exports are insufficient to cover the import needs of the country. In 1957, both the unfavorable trade balance and the shortage of foreign exchange were made more acute by a decrease in Polish exports of coal, which is the major export commodity of Poland to the Free World as well as to the Sino-Soviet Bloc. Not only have the Soviet credits alleviated to some extent the immediate commodity and foreign exchange needs of Poland, but other Soviet economic concessions have eliminated most of the immediate debt payments of the country, thus relieving pressure on the Polish balance of payments.

In September 1956 the USSR extended to Poland a \$25-million loan -- 50 percent in gold and 50 percent in goods "necessary to the Polish people." The credit is repayable in Polish goods during 1957-60 in equal annual parts at 2-percent interest. The USSR also granted Poland an extension of 4 to 5 years for repayment of credits which had been previously extended in the form of equipment for building industrial enterprises. In November 1956 the debts were canceled.* ^{29/}

Wladyslaw Gomulka, First Secretary of the Polish Communist Party, visited Moscow in November 1956 and succeeded in securing additional economic assistance from the USSR. As a result of this meeting, the USSR extended to Poland a credit valued at \$175 million for purchase of commodities during 1958-60, to be repaid during 1963-65. In addition, the USSR made available to Poland 1.4 million tons of grain valued at \$100 million. ^{30/} The USSR provided this emergency aid because Poland lacked sufficient foreign exchange to purchase the needed amount of grain from the Free World. The grain was to be delivered in 1957. At least 70,000 tons of grain had already arrived in Poland, however, by the end of 1956.

* uncertain whether repayment of the September 1956 credit was canceled.

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The USSR and Poland also agreed to regard as settled from 1 November 1956 the Polish debt arising from the use of Soviet credits. The debt cancellation was to cover the difference between the Free World market price of the coal deliveries by Poland to the USSR during 1946-53 (on the basis of the agreement of 16 August 1945) and the token price received from the USSR, which is estimated to amount to about \$550 million. 31/ The USSR further agreed to pay Poland \$15 million for Polish communications facilities which had been used by the USSR free of charge until 1956. In September 1957 the USSR agreed to pay Poland \$45 million in addition for the use of Polish transit facilities during 1946-54. 32/

F. Rumania.

Rumania was one of the principal recipients of Soviet economic assistance during 1956, but it was granted no additional credits during 1957. During 1956 the USSR, in addition to granting more than \$100 million in credits, canceled Rumanian debts totaling \$717 million. ** Before 1956, Rumania had received only two known credits, totaling \$32 million -- a \$22-million wheat loan in 1946 and a \$10-million loan in 1947. 33/

In December 1956, Soviet and Rumanian negotiators concluded an economic agreement. A credit for \$67.5 million was extended to Rumania by the USSR for the construction of chemical and petroleum industries. Plants to be constructed included a nitrogen fertilizer plant, a 50,000-ton synthetic rubber plant, and an electrolytic caustic soda plant having a subordinate unit for the production of plastics. This credit is to be repaid from the production of the plants over a period of 10 years with payments beginning only after the factories start production. In addition, the USSR made available on credit more than 500,000 tons of grain valued at approximately \$35 million to supplement the poor harvest in Rumania in 1956. The grain was to have been delivered during the first half of 1957. Repayment is to take place over a 3-year period beginning in 1959. Rumania was also to receive (apparently on credit) from the USSR during 1957 380,000 tons of coke, 570,000 tons of iron ore, and large quantities of steel. 34/ It appears that these commodity deliveries have been fully implemented. Shipments of grain, iron ore, steel, and coke during 1957 were as follows: grain, more than 490,000 tons during January-June; iron ore, 481,000 tons during January-September; steel,

* This agreement provided that the USSR turn over to Poland as war reparations the Silesian coal mines which formerly belonged to Germany. The USSR claimed some rights in the mines because it had prevented their destruction. For this aid, Poland agreed to ship annually several million tons of coal to the USSR at a price ranging from \$1.25 to \$2.00 per ton.

** See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

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350,000 tons during January-October; and coke, more than 300,000 tons during January-October.

The Rumanian debt canceled by the USSR amounted to \$717 million, which is said to equal the value of German properties taken by the USSR as war reparations but left in Rumania as the Soviet share in the Sovroms (Soviet-Rumanian joint stock companies). 35/ The USSR further agreed to postpone for 4 years the repayment of certain long-term credits previously extended to Rumania which originally fell due in 1957-59. 36/

In 1956, for the first time in the postwar period, the commodity exports of Rumania were equal in value to its commodity imports. In 1957, Rumania had an export surplus and probably will continue to have one for the next few years. Considering these factors -- the export surplus, the debt moratorium, and the cancellation of Sovrom payments -- it appears that Rumania should be able to resume servicing its indebtedness at the designated time without further Soviet assistance.

G. North Korea.

A North Korean official stated that in 1956 the USSR extended \$117.5 million in economic assistance to North Korea, of which \$75 million was a grant. 37/ This aid apparently was extended during Premier Kim Il-sung's trip to Moscow in June 1956. No economic agreement was announced at that time, although a communiqué stated that provisions had been made for increasing the flow of Soviet materials and equipment as well as foodstuffs and consumer goods. Before 1956 the USSR had extended \$290 million in economic assistance to North Korea. 38/ Soviet aid has helped to restore and expand at least 14 large enterprises in the metallurgical, chemical, power generating, and textile industries.* 39/

H. North Vietnam.

North Vietnam received two small loans from the USSR during 1956-57. The first Soviet loan, extended in 1956, amounted to \$7.8 million. 40/ In 1957, North Vietnam was granted another Soviet loan valued at \$11.8 million. A large part of the 1957 loan is being used to buy machine parts, chemicals, fuels, metalwares, and chemical fertilizers. 41/ During 1955, North Vietnam received two grants, one for \$100 million and one for \$50 million. 42/ Nearly 75 percent of the first loan was allocated for buildings, machinery, tools, and raw materials, and the remaining 25 percent was allocated for consumer goods. The latter grant was used for consumer goods and retail equipment goods.** 43/

* See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

** See Appendix A, Table 4, p. 29, below.

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In addition to this aid, the USSR has sent more than 1,000 specialists to North Vietnam during the past 3 years. 44/

I. Outer Mongolia.

A government delegation of the Mongolian Peoples Republic (Outer Mongolia) visited Moscow from 10 to 15 May 1957 at the invitation of the Soviet government. During the course of the talks, Outer Mongolia requested and was granted economic, scientific, and technical assistance to aid in the fulfillment of the Three Year Plan for the development of the Mongolian economy during 1958-60. To help achieve this goal, the USSR extended Outer Mongolia a credit valued at \$50 million. Goods to be supplied under this credit included 2,500 tractors with the implements required for them, 550 combines, 200 diesel and locomobile electric trucks, building materials, and more than 10,000 head of stock. In addition, the USSR will assist in the construction of 2 woodworking plants; 2 wool-washing factories; a brick factory; a radio station in the capital city, Ulan-Bator; and the expansion of a thermal electric power station.* 45/

The USSR transferred gratuitously to Outer Mongolia the Mongol-neft Trust (joint oil-drilling) enterprises, which had cost \$75 million, and the installations and equipment of Ulan-Bator and Sain Shand airports. The USSR also agreed to transfer to Outer Mongolia the Soviet assets in the joint stock company, Sov Mongol-Metall, on condition that the amount be repaid within 30 years beginning in 1962, without interest. 46/ It was noted at the meeting that during 1947-56 Soviet long-term credits to Outer Mongolia had amounted to \$225 million. This total presumably included the Soviet credit extended to Outer Mongolia in April 1956, the value of which is unknown. 47/

* See Appendix A, Tables 3 and 4, pp. 20 and 29, respectively, below.

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APPENDIX A

STATISTICAL TABLES

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57

Million US \$

| | | Type of Credit or Grant | | | |
|----------|------------------|---|--------------------|---------------------------|---|
| | | Commodities | | | |
| Country | Date | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | Remarks |
| Albania | Pre-1956 | 105.5 <u>b/</u> | | | |
| | 17 April 1957 | | 7.8 | | For agricultural commodities to be delivered during the first half of 1958; repayment terms unknown. <u>c/</u> |
| | 22 November 1957 | 40.0 | | | For industrial enterprises; to be drawn upon during 1957-60. <u>d/</u> |
| Bulgaria | 12 July 1947 | | 5.0 | | To cover trade deficit for delivery of commodities; repayable in tobacco and other goods over a 5-year period. <u>e/</u> |
| | 23 August 1947 | 25.0 <u>f/</u> | | | |
| | 1948 | 40.0 <u>g/</u> | | | |
| | 3 February 1956 | 92.5 | | | \$75 million for agricultural development and \$17.5 million for industrial development; to be drawn upon during 1956-59; repayable in agricultural products over a 10-year period at 2-percent interest. <u>h/</u> |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|----------------------|------------------|---|--------------------|---------------------------|---|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| Bulgaria (Continued) | 12 January 1957 | | 5.0 <u>i/</u> | | For 70,000 tons of wheat to be delivered in the spring of 1957; repayable over a 3-year period. <u>j/</u> |
| | 20 February 1957 | 50.0 | | | Presumably for industrial or agricultural development. <u>k/</u> |
| Czechoslovakia | December 1947 | | 23.0 | | Repayable in gold and convertible currency during 1948-50 at 3-percent interest. <u>l/</u> |
| | December 1948 | | | 25.0 | A gold loan; repayable in mining and oil drilling equipment at 3.5-percent interest. <u>m/</u> |
| East Germany | May 1950 | | 0.8 | | Purpose unknown; repayable in commodities at 2-percent interest. <u>n/</u> |
| | April 1951 | | 1.6 | | Purpose unknown; repayable in commodities at 2-percent interest. <u>o/</u> |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
 1946-57
 (Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|-----------------------------|----------------|---|--------------------|---------------------------|---|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| East Germany (Continued) | July 1952 | | 1.5 | | Repayable at 2-percent interest; time period unknown. <u>p/</u> |
| | July 1953 | | 57.8 | | For foodstuffs and raw materials. <u>q/</u> |
| | August 1953 | | 87.5 | 34.0 | \$87.5 million in foodstuffs and raw materials and \$34 million in convertible currency; repayable in commodities over a 3-year period beginning in 1955 at 2-percent interest. <u>r/</u> |
| | May 1954 | 180.0 | | | For industrial equipment, raw materials, and consumer goods. <u>s/</u> |
| | January 1956 | | | 20.0 | In convertible currency to be drawn upon in 1956; repayable in 1957 at 2-percent interest. <u>t/</u> |
| | 7 January 1957 | | | 85.0 | In convertible currency to be drawn upon in 1957; repayable in goods in 1959-60 at 2-percent interest. <u>u/</u> |
| | | | | | |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|-----------------------------|-------------------|---|--------------------|---------------------------|---|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| East Germany (Continued) | 27 September 1957 | | 100.0 | 75.0 | \$100 million for goods and \$75 million in convertible currency, to be drawn upon in 1958; repayable in goods over a 5-year period beginning after 1 January 1961 at 2-percent interest. <u>v/</u> |
| Hungary | 1953 | | | 12.3 | 10 tons of gold valued at \$12.3 million; repayable in commodities at 2-percent interest. <u>w/</u> |
| | 1954 | | 25.0 | | Repayable at 2-percent interest; time period unknown. <u>x/</u> |
| | 1955 | | | 2.5 | In cash; repayable over an 18-month period beginning in January 1957. <u>y/</u> |
| | 4 October 1956 | | 15.0 | 10.0 | \$15 million in goods and \$10 million in convertible currency, to be drawn upon in 1957; repayable in goods during 1960-65 at 2-percent interest. <u>z/</u> |
| | 1956 | | 6.3 | aa/ | |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|------------------------|------------------|---|--------------------|---------------------------|--|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| Hungary (Continued) | 28 March 1957 | | 137.5 | 50.0 | \$50 million in convertible currency, the remainder in goods, to be utilized in 1957; repayable in goods over over a 10-year period beginning the 1 year after delivery, at 2-percent interest. <u>bb/</u> |
| | 18 December 1957 | 75.0 | | | For the construction of industrial enterprises during 1958-63; repayable over a 10-year period beginning the year after delivery, at 2-percent interest. <u>cc/</u> |
| Poland | March 1947 | | | 28.0 | In gold; repayable in raw materials. <u>dd/</u> |
| | 1948 | | 36.0 | | Repayable over an unspecified period of years. <u>ee/</u> |
| | 1948 | 450.0 | | | For machinery and equipment, to be drawn upon during 1951-55; repayable over a 9-year period beginning at date of delivery, at 3-percent interest. <u>ff/</u> |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|-----------------------|-------------------|---|--------------------|---------------------------|---|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| Poland (Continued) | 1950 | 100.0 | | | For machinery and equipment, to be drawn upon during 1951-58. <u>gg/</u> |
| | 22 September 1956 | | 12.5 | 12.5 | 50 percent in goods and 50 percent in gold; repayable in goods during 1957-60 at 2-percent interest. <u>hh/</u> |
| | 18 November 1956 | | 275.0 | | \$175 million for commodity deliveries during 1958-60; repayable during 1963-65. Also 1.4 million tons of grain valued at \$100 million to be delivered in 1957; repayable during 1961-62. <u>ii/</u> |
| Rumania | 1946 | | 22.5 | | A wheat loan; repayable in kind during 1946-47 at 5-percent interest. <u>jj/</u> |
| | 1947 | | 10.0 | | For foodstuffs and raw materials; repayable in commodities during 1948-51 at 3-percent interest. <u>kk/</u> |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|------------------------|------------------|---|--------------------|---------------------------|--|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| Rumania (Continued) | 5 December 1956 | 67.5 | 35.0 | | \$67.5 million for construction of industrial enterprises; repayable in goods over a 10-year period. Also \$35 million for grain to be delivered during the first half of 1957; repayable over a 3-year period beginning in 1959. <u>ll/</u> |
| Communist China | 14 February 1950 | 300.0 | | | For industrial equipment to be delivered during 1950-54; repayable in commodities or US dollars over a 10-year period at 1-percent interest. <u>mm/</u> |
| | 11 October 1954 | 130.0 | <u>nn/</u> | | |
| North Korea | 1949 | 40.0 | | | Repayable over a 4-year period at 2-percent interest. <u>oo/</u> |
| | 1953 | 250.0 | <u>pp/</u> | | For construction of industrial plants and consumer goods; to be utilized during 1954-56. <u>qq/</u> |

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

Million US \$

| Country | Date | Type of Credit or Grant | | | Remarks |
|----------------------------|-------------|---|--------------------------|---------------------------------|---|
| | | Commodities | | | |
| | | For Industrial and Agricultural Development | For Other Purposes | Gold and Foreign Exchange | |
| North Korea (Continued) | 1956 | 117.5 <u>pp/</u> | | | \$75 million is a grant; the remainder presumably is a credit. <u>rr/</u> |
| North Vietnam | July 1955 | | 100.0 <u>ss/</u> | | |
| | 1955 | | 50.0 <u>tt/</u> | | |
| | 1956 | | 7.5 <u>uu/</u> | | |
| | 1957 | | 11.8 <u>vv/</u> | | |
| Outer Mongolia | 1947-56 | 225.0 | | | For the development of industry, agriculture, and transportation. <u>ww/</u> |
| | 16 May 1957 | 50.0 | | | For industrial enterprises and equipment; to be drawn upon during 1958-60. <u>xx/</u> |

a. This table excludes Soviet military credits to the Sino-Soviet Bloc during 1946-57 valued at about \$1 billion and credits extended for the purchase of Soviet holdings valued at more than \$2 billion. Data on day, month, year, and repayment terms are given whenever available. Credits listed in this table have been divided into three categories, although some credits overlap into more than one category. In the absence of specific information regarding the amount designated for each purpose, the total amount has been placed under the category believed to be most justifiable.

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Table 3

Soviet Economic Credits and Grants to Countries of the Sino-Soviet Bloc a/
1946-57
(Continued)

| | Million US \$ |
|--|------------------|
| b. This minimum figure is derived from the Soviet announcement in April 1957 of the cancellation of the debt of Albania and represents a minimum amount of credits extended, probably before 1956. | y. 69/ |
| c. 48/ | z. 70/ |
| d. 49/ | aa. 71/ |
| e. 50/ | bb. 72/ |
| f. 51/ | cc. 73/ |
| g. 52/ | dd. 74/ |
| h. 53/ | ee. 75/ |
| i. Estimated. | ff. 76/ |
| j. 54/ | gg. 77/ |
| k. 55/ | hh. 78/ |
| l. 56/ | ii. 79/ |
| m. 57/ | jj. 80/ |
| n. 58/ | kk. 81/ |
| o. 59/ | ll. 82/ |
| p. 60/ | mm. 83/ |
| q. 61/ | nn. 84/ |
| r. 62/ | oo. 85/ |
| s. 63/ | pp. A grant. |
| t. 64/ | qq. 86/ |
| u. 65/ | rr. 87/ |
| v. 66/ | ss. 88/ A grant. |
| w. 67/ | tt. 89/ A grant. |
| x. 68/ | uu. 90/ |
| | vv. 91/ |
| | ww. 92/ |
| | xx. 93/ |

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Table 4

Soviet Economic Assistance (Other Than Credits and Grants) to Countries of the Sino-Soviet Bloc a/
1947-57

Million US \$

| Country | Date | Amount | Remarks |
|--------------|------------------|------------|---|
| Albania | 17 April 1957 | 105.5 | Cancellation of debt remaining on loans granted previously. <u>b/</u> |
| East Germany | August 1953 | 194.0 | Cancellation of debt remaining on the repurchase of certain joint stock companies. <u>c/</u> |
| | 16 July 1956 | 1,441.0 | Reduction of costs for 4 years to East Germany for maintenance of Soviet troops in East Germany. <u>d/</u> |
| | 16 July 1956 | 174.0 | For an undisclosed purpose. <u>e/</u> |
| Hungary | February 1956 | 93.7 | Cancellation of part of a debt remaining on the repurchase of certain joint stock companies. <u>f/</u> |
| | 28 March 1957 | 85.2 | Cancellation of debt remaining on the repurchase of certain joint stock companies. <u>g/</u> |
| | April 1957 | 20 to 22.5 | Reimbursement fee for transportation and travel charges. <u>h/</u> |
| | 1956 | 9.2 | Emergency aid given free of charge after the October 1956 revolt. <u>i/</u> |
| Poland | 18 November 1956 | 550.0 | Settlement of debt remaining on credits in payment of the full value of coal deliveries during 1946-53. <u>j/</u> |
| | November 1956 | 15.0 | Reimbursement fee for the use of communications facilities which had been used free of charge until 1956. <u>k/</u> |

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Table 4

Soviet Economic Assistance (Other Than Credits and Grants) to Countries of the Sino-Soviet Bloc a/
1947-57
(Continued)

Million US \$

| Country | Date | Amount | Remarks |
|-----------------------|-----------------|--------|--|
| Poland (Continued) | September 1957 | 45.0 | Reimbursement fee for the use of transit facilities during 1946-54. <u>l/</u> |
| Rumania | 5 December 1956 | 717.0 | Cancellation of debt remaining on the repurchase of certain joint stock companies. <u>m/</u> |
| North Korea | 1953 | 20.0 | Cancellation of half of debt for loan granted previously. <u>n/</u> |
| Outer Mongolia | During 1947-56 | 25.0 | Transference, free of charge, of Soviet property to Outer Mongolia. <u>o/</u> |
| | 16 May 1957 | 75.0 | Transference, free of charge, of the enterprises of the Mongolneft Trust. <u>p/</u> |

a. This table excludes Soviet military credits to the Sino-Soviet Bloc during 1946-57 valued at about \$1 billion. Data on day, month, and year are given whenever available.

b. 94/
c. 95/
d. 96/
e. 97/
f. 98/
g. 99/

h. 100/
i. 101/
j. 102/
k. 103/
l. 104/
m. 105/
n. 106/
o. 107/
p. 108/

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Table 5

Soviet Credits to Countries of the Sino-Soviet Bloc for the Purchase of Soviet Holdings
1952-55

Million US \$

| Country | Date | Amount | Remarks |
|-----------------|-----------------|----------------|---|
| Bulgaria | 9 October 1954 | N.A. | Repayment over an unspecified period of years. <u>a/</u> |
| East Germany | 1952-53 | 1,020 | Repurchase of about 200 East German industrial enterprises originally seized by the USSR as part of war reparations in 1945. <u>b/</u> |
| Hungary | 6 November 1954 | 180 | Purchase of Soviet shares in Soviet-Hungarian joint stock companies formed on the basis of former German assets seized by the USSR in 1945-46. Repayment in 8 years. <u>c/</u> |
| Rumania | September 1954 | 800 | Purchase of Soviet shares in Soviet-Rumanian joint stock companies formed on the basis of former German assets seized by the USSR in 1945-46. Repayment to be made in commodities, due in 10 years. <u>d/</u> |
| | December 1955 | N.A. <u>e/</u> | |
| Communist China | 1955 | 75 <u>f/</u> | |

- a. 109/
b. 110/
c. 111/
d. 112/
e. 113/
f. 114/

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